

Docket Clerk
Fruit and Vegetable Programs
AMS, USDA
1440 Independence Avenue
SW Stop 0243
Washington, DC 20250-0243

May 18, 2006

RE: Comments regarding Specialty Crop Block Grant Program (SCBGP)

Enhancing Competitiveness of Specialty Crops

Fruits and vegetable represent a colorful enticing image at retail markets. In addition, fresh fruits and vegetables can be found throughout retail stores as processed food products. State programs designed to use the most efficient sourcing to offer consumers the most cost competitive products must be highly valued within SCBGP to accomplish the over arching goal of enhancing competitiveness of specialty crops. The most important element in increasing consumption of fruit and vegetables and fruit and vegetable processed products is cost. 'Buy local' programs should receive priority opportunities for SCBGP funding.

Measuring Outcomes

It is difficult to use price or volume as an indicator of outcome because markets are continually fluctuating and supplies and availability are reflected in the price. This program must rely on the state to articulate the effectiveness of individual programs. For example store signage, media contacts, and store fliers are all purchase point opportunities and should be included as a determination of effectiveness of the program. This particular funding level is quite small. Clearly on going emphasis will generate sales and other store data which will help determine the increase consumptions of fruits and vegetables and processed products containing fruits and vegetables. The measuring tool must be on a national basis over a long period of time.

Definitions

(f) Specialty crop means.....(including floriculture) Most obviously missing from this definition is processed fruit and vegetable products.

Eligible grant applicants

- (a) To be eligible.....crop projects. Priority should not be given to fresh products. There are numerous processed products that should be promoted with the use of SCBGP funds. We recommend the last sentence of this section be stuck.

Restrictions and limitations

- (b) Grant funds shall supplement.....state funds. Many states funds include fruit, vegetable and processed fruit and vegetable product promotion programs. It is unrealistic for programs not to cross between state funding and federal funding. To be eligible states and their respective commodity groups should be required to show a history of activity in a promotion program. This will demonstrate that they have an on going program to promote their state's fruit and vegetable products.

Completed Application

The application process seems to be in conflict with the formula funding used for SCBGP. A state is eligible for a set level of funding which they must apply for. The application process should: 1) Demonstrate a states ability to develop and carry out programs. 2) Have an audit system in place to properly account for funds.

General Comments

Between the application process and the audit, a considerable amount of state expenditures must be allocated. This is all taking place at a time when states are cutting staff. It is important to strike a balance between application and audit to minimize the amount of SCBGP funding that must be reserved for administrative functions as opposed to conducting programs.

Thank you for the opportunity to respond.

Sincerely,

Ben Kudwa
Executive Director
Michigan Potato Industry Commission